

Executive Summary – Enforcement Matter – Case No. 47978
Flint Hills Resources Port Arthur, LLC
RN100217389
Docket No. 2013-2130-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Flint Hills Resources Port Arthur Facility, 4241 Savannah Avenue, Port Arthur,
Jefferson County

Type of Operation:

Petrochemical manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket Nos. 2014-0198-AIR-E
and 2013-1610-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: April 4, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$13,126

Amount Deferred for Expedited Settlement: \$2,625

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$5,251

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$5,250

Name of SEP: Southeast Texas Regional Planning Commission (Third-Party Pre-
Approved)

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

Executive Summary – Enforcement Matter – Case No. 47978
Flint Hills Resources Port Arthur, LLC
RN100217389
Docket No. 2013-2130-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: September 24, 2013

Date(s) of NOE(s): November 15, 2013

Violation Information

1. Failed to prevent unauthorized emissions during an event that occurred on August 17, 2013 and lasted 8 hours (Incident No. 186931). Specifically, jumper wiring for testing the new motor operated valve ("MOV") 102G had inadvertently been left on after installation. The jumper wiring interfered with the normal operations of MOV101G which got stuck while trying to close it when switching the G furnace to the decoke drum [Emission Point No. ("EPN") LOUVENTDD1] from the process. This resulted in the unauthorized release of 368.33 pounds ("lbs") of volatile organic compounds ("VOC") of process material leaking through MOV101G to the decoke drum and then to the atmosphere. Since the emissions event could have been avoided by better operational and maintenance practices, it is not subject to the affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. 01317, Special Terms and Conditions ("STC") No. 24, and Flexible Permit Nos. 16989 and PSD-TX-794, Special Conditions ("SC") No. 1].

2. Failed to prevent unauthorized emissions during an event that occurred on August 20, 2013 and lasted 18 minutes (Incident No. 187085). Specifically, jumper wiring for testing the new MOV102G had inadvertently been left on after installation. The jumper wiring interfered with the normal operations of MOV101G and caused damage that included a failed motor, a damaged mechanical drive mechanism, and a broken shear pin; the damage made MOV101G appear to be closed when it was actually open. MOV101G got stuck while trying to open it when switching the G furnace from the decoke drum (EPN LOUVENTDD1) to the process. This resulted in the unauthorized release of 9,410.54 lbs of VOC. Since the emissions event could have been avoided by better operational and maintenance practices, it is not subject to the affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 01317, STC No. 24, and Flexible Permit Nos. 16989 and PSD-TX-794, SC No. 1].

**Executive Summary – Enforcement Matter – Case No. 47978
Flint Hills Resources Port Arthur, LLC
RN100217389
Docket No. 2013-2130-AIR-E**

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

By September 19, 2013, the Respondent inspected the motor operated valves for jumper wires on Furnaces A-G to minimize the potential for the recurrence of emissions events due to same or similar causes as Incident Nos. 186931 and 187085.

Technical Requirements:

The Order will require the Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment A)

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Farhaud Abbaszadeh, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-0779; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

Respondent: Denzel Wiseman, Vice President, Flint Hills Resources Port Arthur, LLC, 4241 Savannah Avenue, No. Gate 24, Port Arthur, Texas 77640
Justin East, Environmental Manager, Flint Hills Resources Port Arthur, LLC, 4241 Savannah Avenue, No. Gate 24, Port Arthur, Texas 77640

Respondent's Attorney: N/A

Attachment A
Docket Number: 2013-2130-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

| | |
|-----------------------------------|--|
| Respondent: | Flint Hills Resources Port Arthur, LLC |
| Penalty Amount: | Ten Thousand Five Hundred One Dollars (\$10,501) |
| SEP Offset Amount: | Five Thousand Two Hundred Fifty Dollars (\$5,250) |
| Type of SEP: | Contribution to a Third-Party Administrator SEP |
| Third-Party Administrator: | Southeast Texas Regional Planning Commission |
| Project Name: | <i>West Port Arthur Home Energy Efficiency Program - Lighthouse Program</i> |
| Location of SEP: | Jefferson County |

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Southeast Texas Regional Planning Commission** for the *West Port Arthur Home Energy Efficiency Program - Lighthouse Program* Project. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to hire a contractor to conduct initial inspections of eligible applicants' homes. The inspections will determine whether the home is in a condition suitable for weatherization and energy efficiency upgrades. Upgrades will not be completed at homes that need new roofs or significant foundation work. The contractor shall also determine what weatherization and energy efficiency upgrades are necessary and appropriate for the home and write a work plan. This contractor shall also conduct the final inspection of the home after the work is completed.

The Third-Party Administrator will conduct eligibility determinations to verify that participants own their homes and qualify as low-income. The Third-Party Administrator

will also prepare all contracts with contractors and homeowners; coordinate between the contractors and the homeowners to answer questions; ensure that work is done timely and properly; and arrange for any necessary repairs to new equipment under the 12-month warranty period after work is completed. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

Implementation of this Project will benefit air by reducing residential fuel and electricity usage for heating and cooling. These reductions, in turn, will reduce emissions of particulate matter, volatile organic compounds, and the nitrogen oxides associated with the combustion of fuel and the generation of electricity. Past energy audits have shown a 12-30% reduction in energy usages after completion of the weatherization and energy upgrades.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Southeast Texas Regional Planning Commission SEP** and shall mail the contribution with a copy of the Agreed Order to:

Southeast Texas Regional Planning Commission
Attention: Pamela Lewis, Program Manager
2210 Eastex Freeway
Beaumont, Texas 77703

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ.** Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

| | | | | | | |
|--------------|-----------------|-------------|------------------|-------------|----------------|-------------|
| DATES | Assigned | 18-Nov-2013 | Screening | 21-Nov-2013 | EPA Due | 11-Aug-2014 |
| | PCW | 21-Feb-2014 | | | | |

RESPONDENT/FACILITY INFORMATION

| | | | | | |
|-----------------------------|--|---------------------------|-------|--|--|
| Respondent | Flint Hills Resources Port Arthur, LLC | | | | |
| Reg. Ent. Ref. No. | RN100217389 | | | | |
| Facility/Site Region | 10-Beaumont | Major/Minor Source | Major | | |

CASE INFORMATION

| | | | |
|--|-----------------|------------------------------|--------------------|
| Enf./Case ID No. | 47978 | No. of Violations | 2 |
| Docket No. | 2013-2130-AIR-E | Order Type | 1660 |
| Media Program(s) | Air | Government/Non-Profit | No |
| Multi-Media | | Enf. Coordinator | Heather Podlipny |
| | | EC's Team | Enforcement Team 4 |
| Admin. Penalty \$ Limit Minimum | \$0 | Maximum | \$25,000 |

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$7,500**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **100.0%** Enhancement **Subtotals 2, 3, & 7** **\$7,500**

Notes: Enhancement for 15 orders with denial of liability, three orders without denial of liability, three NOV's with same/similar violations, and one NOV with dissimilar violations. Reduction for five notices of intent to conduct audits and three disclosures of violation.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **\$1,874**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts \$13
Approx. Cost of Compliance \$3,068
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$13,126**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$13,126**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$13,126**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$2,625**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$10,501**

Screening Date 21-Nov-2013

Docket No. 2013-2130-AIR-E

PCW

Respondent Flint Hills Resources Port Arthur, LLC

Policy Revision 3 (September 2011)

Case ID No. 47978

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100217389

Media [Statute] Air

Enf. Coordinator Heather Podlipny

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

| Component | Number of... | Enter Number Here | Adjust. |
|-------------------------------|--|-------------------|---------|
| NOVs | Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>) | 3 | 15% |
| | Other written NOVs | 1 | 2% |
| Orders | Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>) | 15 | 300% |
| | Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission | 3 | 75% |
| Judgments and Consent Decrees | Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>) | 0 | 0% |
| | Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government | 0 | 0% |
| Convictions | Any criminal convictions of this state or the federal government (<i>number of counts</i>) | 0 | 0% |
| Emissions | Chronic excessive emissions events (<i>number of events</i>) | 0 | 0% |
| Audits | Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>) | 5 | -5% |
| | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>) | 3 | -6% |
| Please Enter Yes or No | | | |
| Other | Environmental management systems in place for one year or more | No | 0% |
| | Voluntary on-site compliance assessments conducted by the executive director under a special assistance program | No | 0% |
| | Participation in a voluntary pollution reduction program | No | 0% |
| | Early compliance with, or offer of a product that meets future state or federal government environmental requirements | No | 0% |

Adjustment Percentage (Subtotal 2) 381%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for 15 orders with denial of liability, three orders without denial of liability, three NOVs with same/similar violations, and one NOV with dissimilar violations. Reduction for five notices of intent to conduct audits and three disclosures of violation.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 381%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 100%

Screening Date 21-Nov-2013

Docket No. 2013-2130-AIR-E

PCW

Respondent Flint Hills Resources Port Arthur, LLC

Policy Revision 3 (September 2011)

Case ID No. 47978

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100217389

Media [Statute] Air

Enf. Coordinator Heather Podlipny

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.715(a) and (c)(7), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit ("FOP") No. O1317, Special Terms and Conditions ("STC") No. 24, and Flexible Permit Nos. 16989 and PSD-TX-794, Special Conditions ("SC") No. 1

Violation Description

Failed to prevent unauthorized emissions during an event that occurred on August 17, 2013 and lasted 8 hours (Incident No. 186931). Specifically, jumper wiring for testing the new motor operated valve ("MOV") 102G had inadvertently been left on after installation. The jumper wiring interfered with the normal operations of MOV101G which got stuck while trying to close it when switching the G furnace to the decoke drum [Emission Point No. ("EPN") LOUVENTDD1] from the process. This resulted in the unauthorized release of 368.33 pounds ("lbs") of volatile organic compounds ("VOC") of process material leaking through MOV101G to the decoke drum and then to the atmosphere. Since the emissions event could have been avoided by better operational and maintenance practices, it is not subject to the affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | X |
| Potential | | | |

Percent 15.0%

>> Programmatic Matrix

| | Falsification | | |
|------|---------------|----------|-------|
| | Major | Moderate | Minor |
| 2800 | | | |

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1 1 Number of violation days

| | | |
|-------------------------|--------------|---|
| mark only one with an x | daily | |
| | weekly | |
| | monthly | |
| | quarterly | X |
| | semiannual | |
| | annual | |
| | single event | |

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$937

| | Before NOV | NOV to EDPRP/Settlement Offer |
|---------------|------------|-------------------------------|
| Extraordinary | | |
| Ordinary | X | |
| N/A | | (mark with x) |

Notes

The Respondent returned to compliance by September 19, 2013 and the NOE is dated November 15, 2013.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$13

Violation Final Penalty Total \$6,563

This violation Final Assessed Penalty (adjusted for limits) \$6,563

Economic Benefit Worksheet

Respondent Flint Hills Resources Port Arthur, LLC
Case ID No. 47978
Reg. Ent. Reference No. RN100217389
Media Air
Violation No. 1

| Percent Interest | Years of Depreciation |
|------------------|-----------------------|
| 5.0 | 15 |

| Item Description | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Onetime Costs | EB Amount |
|------------------|-----------|---------------|------------|-----|----------------|---------------|-----------|
| No commas or \$ | | | | | | | |

Delayed Costs

| | | | | | | | |
|--------------------------|---------|-------------|-------------|------|------|-----|------|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | \$2,800 | 17-Aug-2013 | 19-Sep-2013 | 0.09 | \$13 | n/a | \$13 |

Notes for DELAYED costs

Estimated cost to inspect MOV101G and MOV102G for jumper wires on Furnaces A-G to prevent a recurrence of emissions events due to same or similar causes as Incident Nos. 186931 and 187085. The Date Required is the date of the first emissions event and the Final Date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

| | | | | | | | |
|-------------------------------|--|--|--|------|-----|-----|-----|
| Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.00 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Supplies/equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.00 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,800

TOTAL

\$13

Screening Date 21-Nov-2013

Docket No. 2013-2130-AIR-E

PCW

Respondent Flint Hills Resources Port Arthur, LLC

Policy Revision 3 (September 2011)

Case ID No. 47978

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100217389

Media [Statute] Air

Enf. Coordinator Heather Podlipny

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.715(a) and (c)(7), and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 01317, STC No. 24, and Flexible Permit Nos. 16989 and PSD-TX-794, SC No. 1

Violation Description

Failed to prevent unauthorized emissions during an event that occurred on August 20, 2013 and lasted 18 minutes (Incident No. 187085). Specifically, jumper wiring for testing the new MOV102G had inadvertently been left on after installation. The jumper wiring interfered with the normal operations of MOV101G and caused damage that included a failed motor, a damaged mechanical drive mechanism, and a broken shear pin; the damage made MOV101G appear to be closed when it was actually open. MOV101G got stuck while trying to open it when switching the G furnace from the decoke drum (EPN LOUVENTDD1) to the process. This resulted in the unauthorized release of 9,410.54 lbs of VOC. Since the emissions event could have been avoided by better operational and maintenance practices, it is not subject to the affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

| Release | Harm | | |
|-----------|-------|----------|-------|
| | Major | Moderate | Minor |
| Actual | | | x |
| Potential | | | |

Percent 15.0%

>> Programmatic Matrix

| Falsification | Major | Moderate | Minor |
|---------------|-------|----------|-------|
| | | | |

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

1 Number of violation days

| | | |
|-------------------------|--------------|---|
| mark only one with an x | daily | |
| | weekly | |
| | monthly | |
| | quarterly | x |
| | semiannual | |
| | annual | |
| | single event | |

Violation Base Penalty \$3,750

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$937

| | Before NOV | NOV to EDPRP/Settlement Offer |
|---------------|------------|-------------------------------|
| Extraordinary | | |
| Ordinary | x | |
| N/A | | (mark with x) |

Notes

The Respondent returned to compliance by September 19, 2013 and the NOE is dated November 15, 2013.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$6,563

This violation Final Assessed Penalty (adjusted for limits) \$6,563

Economic Benefit Worksheet

Respondent Flint Hills Resources Port Arthur, LLC
Case ID No. 47978
Reg. Ent. Reference No. RN100217389
Media Air
Violation No. 2

Percent Interest 5.0
Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
Item Description No commas or \$

Delayed Costs

| | | | | | | | |
|--------------------------|--|--|--|------|-----|-----|-----|
| Equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Buildings | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |
| Engineering/construction | | | | 0.00 | \$0 | \$0 | \$0 |
| Land | | | | 0.00 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.00 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0.00 | \$0 | n/a | \$0 |
| Remediation/Disposal | | | | 0.00 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0.00 | \$0 | n/a | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | n/a | \$0 |

Notes for DELAYED costs

See the economic benefit costs for Violation No. 1.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

| | | | | | | | |
|-------------------------------|--|--|--|------|-----|-----|-----|
| Disposal | | | | 0.00 | \$0 | \$0 | \$0 |
| Personnel | | | | 0.00 | \$0 | \$0 | \$0 |
| Inspection/Reporting/Sampling | | | | 0.00 | \$0 | \$0 | \$0 |
| Supplies/equipment | | | | 0.00 | \$0 | \$0 | \$0 |
| Financial Assurance [2] | | | | 0.00 | \$0 | \$0 | \$0 |
| ONE-TIME avoided costs [3] | | | | 0.00 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0.00 | \$0 | \$0 | \$0 |

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0



TCEQ Compliance History Report

PUBLISHED Compliance History Report for CN603743030, RN100217389, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

| | | | |
|---|--|-------------------------------------|----------------------|
| Customer, Respondent, or Owner/Operator: | CN603743030, Flint Hills Resources Port Arthur, LLC | Classification: SATISFACTORY | Rating: 10.98 |
| Regulated Entity: | RN100217389, FLINT HILLS RESOURCES PORT ARTHUR FACILITY | Classification: SATISFACTORY | Rating: 22.87 |
| Complexity Points: | 28 | Repeat Violator: NO | |
| CH Group: | 05 - Chemical Manufacturing | | |
| Location: | 4241 SAVANNAH AVENUE, PORT ARTHUR, TX 77640-3668, JEFFERSON COUNTY | | |
| TCEQ Region: | REGION 10 - BEAUMONT | | |

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER JE0135Q

WASTEWATER PERMIT WQ0003057000

AIR NEW SOURCE PERMITS PERMIT 16989

AIR NEW SOURCE PERMITS REGISTRATION 54780

AIR NEW SOURCE PERMITS REGISTRATION 55149

AIR NEW SOURCE PERMITS REGISTRATION 55148

AIR NEW SOURCE PERMITS REGISTRATION 76098

AIR NEW SOURCE PERMITS REGISTRATION 76342

AIR NEW SOURCE PERMITS REGISTRATION 56739

AIR NEW SOURCE PERMITS REGISTRATION 70435

AIR NEW SOURCE PERMITS REGISTRATION 70231

AIR NEW SOURCE PERMITS REGISTRATION 70780

AIR NEW SOURCE PERMITS REGISTRATION 71465

AIR NEW SOURCE PERMITS REGISTRATION 72235

AIR NEW SOURCE PERMITS REGISTRATION 72541

AIR NEW SOURCE PERMITS REGISTRATION 73892

AIR NEW SOURCE PERMITS REGISTRATION 73988

AIR NEW SOURCE PERMITS REGISTRATION 75061

AIR NEW SOURCE PERMITS REGISTRATION 74850

AIR NEW SOURCE PERMITS REGISTRATION 75258

AIR NEW SOURCE PERMITS REGISTRATION 76648

AIR NEW SOURCE PERMITS REGISTRATION 80894

AIR NEW SOURCE PERMITS REGISTRATION 81224

AIR NEW SOURCE PERMITS REGISTRATION 56574

AIR NEW SOURCE PERMITS REGISTRATION 48586

AIR NEW SOURCE PERMITS REGISTRATION 52327

AIR NEW SOURCE PERMITS REGISTRATION 90818

AIR NEW SOURCE PERMITS REGISTRATION 84551

AIR NEW SOURCE PERMITS REGISTRATION 86625

AIR NEW SOURCE PERMITS REGISTRATION 92300

AIR NEW SOURCE PERMITS REGISTRATION 85841

AIR NEW SOURCE PERMITS REGISTRATION 92251

AIR NEW SOURCE PERMITS REGISTRATION 91594

AIR NEW SOURCE PERMITS REGISTRATION 92475

AIR NEW SOURCE PERMITS REGISTRATION 91783

AIR NEW SOURCE PERMITS EPA PERMIT PSDTX794

AIR NEW SOURCE PERMITS REGISTRATION 94277

AIR NEW SOURCE PERMITS REGISTRATION 95248

AIR OPERATING PERMITS PERMIT 1317

WASTEWATER EPA ID TX0105287

AIR NEW SOURCE PERMITS ACCOUNT NUMBER JE0135Q

AIR NEW SOURCE PERMITS REGISTRATION 54845

AIR NEW SOURCE PERMITS REGISTRATION 55150

AIR NEW SOURCE PERMITS REGISTRATION 75753

AIR NEW SOURCE PERMITS REGISTRATION 75685

AIR NEW SOURCE PERMITS REGISTRATION 75824

AIR NEW SOURCE PERMITS AFS NUM 4824500082

AIR NEW SOURCE PERMITS REGISTRATION 70504

AIR NEW SOURCE PERMITS REGISTRATION 70256

AIR NEW SOURCE PERMITS REGISTRATION 71484

AIR NEW SOURCE PERMITS REGISTRATION 72282

AIR NEW SOURCE PERMITS REGISTRATION 71742

AIR NEW SOURCE PERMITS REGISTRATION 73136

AIR NEW SOURCE PERMITS REGISTRATION 73618

AIR NEW SOURCE PERMITS REGISTRATION 74779

AIR NEW SOURCE PERMITS REGISTRATION 74299

AIR NEW SOURCE PERMITS REGISTRATION 75259

AIR NEW SOURCE PERMITS REGISTRATION 76405

AIR NEW SOURCE PERMITS PERMIT 79802

AIR NEW SOURCE PERMITS REGISTRATION 80563

AIR NEW SOURCE PERMITS REGISTRATION 81542

AIR NEW SOURCE PERMITS REGISTRATION 70191

AIR NEW SOURCE PERMITS REGISTRATION 83299

AIR NEW SOURCE PERMITS REGISTRATION 52120

AIR NEW SOURCE PERMITS REGISTRATION 89369

AIR NEW SOURCE PERMITS REGISTRATION 91407

AIR NEW SOURCE PERMITS REGISTRATION 91169

AIR NEW SOURCE PERMITS REGISTRATION 92316

AIR NEW SOURCE PERMITS REGISTRATION 91729

AIR NEW SOURCE PERMITS REGISTRATION 93271

AIR NEW SOURCE PERMITS REGISTRATION 92063

AIR NEW SOURCE PERMITS REGISTRATION 92476

AIR NEW SOURCE PERMITS REGISTRATION 93815

AIR NEW SOURCE PERMITS REGISTRATION 93499

AIR NEW SOURCE PERMITS REGISTRATION 95429

AIR NEW SOURCE PERMITS REGISTRATION 95830

AIR NEW SOURCE PERMITS REGISTRATION 96494
AIR NEW SOURCE PERMITS REGISTRATION 99153
AIR NEW SOURCE PERMITS REGISTRATION 99531
AIR NEW SOURCE PERMITS REGISTRATION 98948
AIR NEW SOURCE PERMITS REGISTRATION 98147
AIR NEW SOURCE PERMITS REGISTRATION 98734
AIR NEW SOURCE PERMITS REGISTRATION 101659
AIR NEW SOURCE PERMITS REGISTRATION 101648
AIR NEW SOURCE PERMITS REGISTRATION 103598
AIR NEW SOURCE PERMITS REGISTRATION 111992
AIR NEW SOURCE PERMITS REGISTRATION 106804
AIR NEW SOURCE PERMITS REGISTRATION 111318
AIR NEW SOURCE PERMITS REGISTRATION 111646
PUBLIC WATER SYSTEM/SUPPLY REGISTRATION
1230093
INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXR000080142
AIR EMISSIONS INVENTORY ACCOUNT NUMBER JE0135Q

UNDERGROUND INJECTION CONTROL PERMIT
5X2500122

AIR NEW SOURCE PERMITS REGISTRATION 96570
AIR NEW SOURCE PERMITS REGISTRATION 96324
AIR NEW SOURCE PERMITS REGISTRATION 97234
AIR NEW SOURCE PERMITS REGISTRATION 100267
AIR NEW SOURCE PERMITS REGISTRATION 96727
AIR NEW SOURCE PERMITS REGISTRATION 98730
AIR NEW SOURCE PERMITS REGISTRATION 101847
AIR NEW SOURCE PERMITS REGISTRATION 104357
AIR NEW SOURCE PERMITS REGISTRATION 112518
AIR NEW SOURCE PERMITS REGISTRATION 108278
AIR NEW SOURCE PERMITS REGISTRATION 105729
AIR NEW SOURCE PERMITS REGISTRATION 109677
AIR NEW SOURCE PERMITS REGISTRATION 109241
INDUSTRIAL AND HAZARDOUS WASTE PERMIT 50399

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 89230
POLLUTION PREVENTION PLANNING ID NUMBER
P00678
AIR QUALITY NON PERMITTED ID NUMBER
ENV100217389

Compliance History Period: September 01, 2008 to August 31, 2013 **Rating Year:** 2013 **Rating Date:** 09/01/2013

Date Compliance History Report Prepared: November 21, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: November 21, 2008 to November 21, 2013

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Heather Podlipny

Phone: (512) 239-2603

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 01/30/2009 ADMINORDER 2008-1066-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition 1 PERMIT
FOP-O-01317 Special Condition 16 OP

Description: Failure to maintain emissions below the allowable emission limit. The December 28, 2007, emissions event resulted due to the shut down of the Ethylene Refrigeration Compressor, which was initiated by a false high speed indication, during a thunderstorm. According to the internal investigation report submitted by FHR, the design of the Ethylene Refrigeration Compressor was not to the required specifications, and the high speed indication wiring was grounded at both ends.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition 1 PERMIT

FOP-O-01317 Special Condition 16 OP

Description: Failure to maintain emissions below the allowable emission limit. The January 18, 2008, emissions event resulted when a contractor failed to follow facility procedure while off loading the vacuum truck into the GHU sump.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition 1 PERMIT
FOP-O-01317 Special Condition 16 OP

Description: Failure to maintain emissions below the allowable emission limit. The February 27, 2008, emissions event resulted when the converter board operator failed to immediately respond to the drop in pressure to pressure control valve 395.

- 2 Effective Date: 03/12/2009 ADMINORDER 2008-1269-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:1317, General Terms and Conditions OP
1317, Special Condition 16 OP
16989/PSD-TX-794, Special Condition 1 PERMIT
Description: Failed to prevent unauthorized emissions.
- 3 Effective Date: 08/23/2009 ADMINORDER 2009-0121-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:Special Condition 1 PERMIT
Special Condition 16 OP
Description: Failure to maintain emissions below the allowable emission limit. The emissions event incident 109860 was caused when a wrong procedure was used during valve selection.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:Special Condition 1 PERMIT
Special Condition 16 OP
Description: Failure to maintain emissions below the allowable emission limit. The June 28, 2008, emissions event was caused when placing the "F" furnace on-line. A lack of sufficient excess total hydrogen feed to the ethylene reactors caused a high concentration of acetylene to the Ethylene Tower Feed.
- 4 Effective Date: 12/18/2009 ADMINORDER 2009-0916-AIR-E (Findings Order-Agreed Order Without Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:16989/PSD-TX-794 Special Condition 1 OP
O-01317 Special Condition 16 PERMIT
Description: Failed to prevent unauthorized emissions during Incident No. 122769, in violation of Air Permit No. 16989, Special Condition No. 1, Air Permit No. O-01317, Special Condition No. 16, 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), and TEX. HEALTH & SAFETY CODE § 382.085(b).
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794, Special Condition 1 OP

O-01317, Special Condition 16 PERMIT

Description: Failed to prevent unauthorized emissions during Incident No. 121878, in violation of Air Permit No. 16989, Special Condition No. 1, Air Permit No. O-01317, Special Condition No. 16, 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a), and 122.143(4), and TEX. HEALTH & SAFETY CODE § 382.085(b).

5 Effective Date: 02/22/2010 ADMINORDER 2009-1335-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794, Special Condition 1 PERMIT

O-01317, Special Condition 16 OP

Description: Failure to prevent the release of unauthorized emissions to the atmosphere.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:O-01317 Special Condition 2F OP

Description: Failure to submit an emission event within 24 hours after discovery of an emission event.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794, Special Condition 1 OP

O-01317, Special Condition 16 PERMIT

Description: Failure to prevent the release of unauthorized emissions to the atmosphere.

6 Effective Date: 06/26/2010 ADMINORDER 2009-1676-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794, Special Condition 1 PERMIT

O-01317, Special Condition 16 OP

Description: Failure to maintain emissions below the allowable emission limit.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition 1 OP

O-01317, Special Condition 16 PERMIT

Description: Failure to maintain emissions below the allowable emission limit.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)

30 TAC Chapter 116, SubChapter G 116.715(a)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794, Special Condition 1 OP

O-01317, Special Condition 16 PERMIT

Description: Failure to prevent the release of unauthorized emissions to the atmosphere.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794, General Terms & Condit OP
O-01317, Special Condition 2F PERMIT

Description: Failure to submit initial notification for an emissions event within 24 hours of discovery. Specifically, Incident No. 127182 occurred on July 17, 2009, and was not reported until July 23, 2009.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794, Special Condition 1 PERMIT
O-01317, Special Condition 16 OP

Description: Failure to prevent the release of unauthorized emissions to the atmosphere.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition 1 PERMIT
O-01317 Special Condition 22 OP

Description: Failure to prevent the release of unauthorized emissions to the atmosphere.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/ PSD-TX-794, Special Condition 1 PERMIT
O-01317, Special Condition 16 OP

Description: Failure to maintain emissions below the allowable emission limit.

7 Effective Date: 07/11/2010 ADMINORDER 2009-1999-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition 1 PERMIT
O-01317 Special Condition 22 OP

Description: Failed to prevent unauthorized emissions during Incident No. 128951.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition PERMIT
O-01317 Special Condition 22 OP

Description: Failed to prevent unauthorized emissions during Incident No. 129338.

8 Effective Date: 08/30/2010 ADMINORDER 2010-0309-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition 1 PERMIT
FOP O-01317, Special Condition 16 OP

Description: The Respondent failed to prevent unauthorized emissions during Incident No. 130668.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)
Rqmt Prov:FOP O-01317, Special Condition 16 PERMIT
Permit 16989/PSD-TX-794, SC 1 OP

Description: The Respondent failed to prevent unauthorized emissions during Incident No. 130566.

9 Effective Date: 02/05/2011 ADMINORDER 2010-0854-AIR-E (Findings Order-Agreed Order Without Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794, Special Condition 1 PERMIT
FOP-O-01317, Special Condition No. 22 OP

Description: The Respondent failed to prevent unauthorized emissions during Incident No. 134373.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:O-01317, Special Condition 2F OP

Description: the Respondent failed to report Incident No. 134373 within 24 hours after discovery.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition 1 PERMIT
O-01317 Special Condition No. 22 OP

Description: The Respondent failed to prevent unauthorized emissions during Incident No. 134219.

10 Effective Date: 02/20/2011 ADMINORDER 2010-1099-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition 1 PERMIT
O-01317 Special Condition 16 OP

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 20.98 lbs of CO, 3,898.22 lbs of VOC and 0.56 lbs of hydrogen sulfide from the Spent Caustic Degassing Drum during an avoidable emissions event (Incident No. 134917) that began on January 23, 2010 and lasted 19 hours and 18 minutes. The event was caused by the failure of a level controller that led to a complete loss of liquid in the drum. The loss of liquid caused a pathway that allowed process vapors to flow to Flo

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition 1 PERMIT
O-01317 Special Condition 16 OP

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 704.76 lbs of CO, 917.79 lbs of VOC and 97.58 lbs of NOx from the LOU Flare during an avoidable emissions event (Incident No. 136904) that began on March 8, 2010 and lasted 50 hours and 29 minutes. The event was caused by the failure to completely close the drain valve on the Second Stage Compressor Cracked Gas Drip Leg after draining the drip leg, leading to emissions being vented to the atmosphere through the flare

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition 1 PERMIT

O-01317 Special Condition 16 OP

Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 295.60 pounds ("lbs") of carbon monoxide ("CO"), 347.77 lbs of volatile organic compounds ("VOC") and 40.93 lbs of nitrogen oxide ("NOx") from the Light Olefins Unit ("LOU") Flare during an avoidable emissions event (Incident No. 136126) that began on February 21, 2010 and lasted seven hours and 30 minutes. The event was caused by the degradation of insulation on high voltage electrical lines leading to the shutdown

11 Effective Date: 06/20/2011 ADMINORDER 2010-1865-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:O-01317, Special Terms and Conditions 22 OP
Permit 16989/PSD-TX-794 SC 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition PERMIT
O-01317, Special Terms and Conditions 22 OP

Description: Failed to prevent unauthorized emissions.

12 Effective Date: 08/27/2011 ADMINORDER 2011-0287-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition 1 PERMIT
O-1317, Special Terms & Conditions 22 OP

Description: Failure to maintain emissions below the allowable emission limit.

13 Effective Date: 08/27/2011 ADMINORDER 2011-0192-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:16989/PSD-TX-794 Special Condition 1 PERMIT
Special Terms & Conditions No. 22 OP

Description: Failure to maintain emissions below the allowable emission limit.

14 Effective Date: 04/23/2012 ADMINORDER 2011-1562-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:FOP O1317, Special Condition 22 OP
NSR Flexible Permit No. 16989, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov:FOP O1317, ST & C 22 OP

NSR Flexible Permit No. 16989, SC 1 PERMIT

Description: Failed to prevent unauthorized emissions.

- 15 Effective Date: 06/22/2012 ADMINORDER 2011-2129-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:1317, Special Condition 22 OP
SC1 PERMIT
Special Condition No. 1 PERMIT
Description: Failure to prevent the release of unauthorized emissions to the atmosphere.
- 16 Effective Date: 11/11/2012 ADMINORDER 2012-0809-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:16989/PSD-TX-794 Special Condition 1 PERMIT
Special Condition 22 OP
Description: Failed to prevent unauthorized emissions during an event on December 8, 2011 (Incident No. 162629). Specifically, the Respondent released 295.65 pounds ("lbs") of volatile organic compounds (including 17.29 lbs of 1,3-butadiene), 196.19 lbs of carbon monoxide, and 38.51 lbs of nitrogen oxides of unauthorized emissions from the Light Olefins Unit Flare (Emission Point No. LOUFLARE) during the one hour 35-minute event. The event occurred due to a design flaw within the heat exchanger system.
- 17 Effective Date: 06/03/2013 ADMINORDER 2012-0402-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:O-01317, Special Condition 2F OP
Description: Failure to notify the TCEQ Region 10 office of a reportable emissions event within 24 hours after discovery.
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:16989 and PSD-TX-794, SC No. 1 PA
Special Terms and Conditions No. 22 OP
Description: Failure to prevent unauthorized emissions (Incident 162013).
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:16989 and PSD-TX-794, SC No. 1 PA
STC No. 22 OP
Description: Failure to prevent the release of unauthorized emissions to the atmosphere.
- 18 Effective Date: 09/12/2013 ADMINORDER 2013-0164-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:PSD-TX-794, SC 1 PERMIT
Special Terms and Conditions 24 OP

Description: Failure to maintain emissions below the authorized emissions limits during Incident 173816.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: PSD-TX-794, SC 1 PERMIT

Special Terms and Conditions 24 OP

Description: Failure to maintain emissions below the authorized emissions limits during Incident 174168.

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(7)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)

Rqmt Prov: PSD-TX-794, SC 1 PERMIT

Special Terms and Conditions 24 OP

Description: Failure to maintain emissions below the authorized emissions limits during Incident 174187.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

| | | |
|---------|--------------------|----------|
| Item 1 | December 10, 2008 | (731996) |
| Item 2 | December 15, 2008 | (721155) |
| Item 3 | January 14, 2009 | (731997) |
| Item 4 | February 03, 2009 | (723045) |
| Item 5 | February 04, 2009 | (708100) |
| Item 6 | February 06, 2009 | (755358) |
| Item 7 | February 20, 2009 | (725410) |
| Item 8 | February 25, 2009 | (720934) |
| Item 9 | March 03, 2009 | (736948) |
| Item 10 | March 19, 2009 | (755359) |
| Item 11 | March 23, 2009 | (726546) |
| Item 12 | March 25, 2009 | (736039) |
| Item 13 | April 09, 2009 | (722988) |
| Item 14 | April 20, 2009 | (755360) |
| Item 15 | June 04, 2009 | (744697) |
| Item 16 | June 18, 2009 | (744900) |
| Item 17 | June 19, 2009 | (744790) |
| Item 18 | July 30, 2009 | (748201) |
| Item 19 | August 19, 2009 | (817363) |
| Item 20 | August 28, 2009 | (763176) |
| Item 21 | September 17, 2009 | (817361) |
| Item 22 | October 05, 2009 | (775281) |
| Item 23 | October 13, 2009 | (775338) |
| Item 24 | October 26, 2009 | (775425) |
| Item 25 | November 05, 2009 | (777343) |
| Item 26 | November 09, 2009 | (778303) |
| Item 27 | November 11, 2009 | (779100) |
| Item 28 | November 24, 2009 | (817366) |
| Item 29 | December 01, 2009 | (760789) |
| Item 30 | December 14, 2009 | (817367) |
| Item 31 | December 23, 2009 | (782164) |
| Item 32 | January 21, 2010 | (817368) |
| Item 33 | February 01, 2010 | (787221) |

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| Item 34 | February 19, 2010 | (792201) |
| Item 35 | February 22, 2010 | (788950) |
| Item 36 | February 23, 2010 | (791426) |
| Item 37 | February 25, 2010 | (817360) |
| Item 38 | March 22, 2010 | (788590) |
| Item 39 | March 25, 2010 | (835318) |
| Item 40 | April 23, 2010 | (835319) |
| Item 41 | April 26, 2010 | (794882) |
| Item 42 | May 02, 2010 | (793078) |
| Item 43 | May 19, 2010 | (801471) |
| Item 44 | May 25, 2010 | (801828) |
| Item 45 | May 30, 2010 | (800451) |
| Item 46 | June 02, 2010 | (824604) |
| Item 47 | June 22, 2010 | (847628) |
| Item 48 | June 23, 2010 | (824857) |
| Item 49 | June 24, 2010 | (825576) |
| Item 50 | July 22, 2010 | (862032) |
| Item 51 | July 28, 2010 | (843045) |
| Item 52 | July 30, 2010 | (827585) |
| Item 53 | August 25, 2010 | (868607) |
| Item 54 | August 31, 2010 | (841720) |
| Item 55 | September 16, 2010 | (864362) |
| Item 56 | September 19, 2010 | (842441) |
| Item 57 | September 20, 2010 | (843255) |
| Item 58 | September 23, 2010 | (875500) |
| Item 59 | October 21, 2010 | (883041) |
| Item 60 | October 22, 2010 | (864020) |
| Item 61 | November 12, 2010 | (872488) |
| Item 62 | November 23, 2010 | (797259) |
| Item 63 | November 30, 2010 | (879190) |
| Item 64 | December 20, 2010 | (897823) |
| Item 65 | January 03, 2011 | (886795) |
| Item 66 | January 13, 2011 | (903714) |
| Item 67 | January 21, 2011 | (880062) |
| Item 68 | February 01, 2011 | (892382) |
| Item 69 | February 03, 2011 | (885483) |
| Item 70 | February 12, 2011 | (895473) |
| Item 71 | February 23, 2011 | (895924) |
| Item 72 | March 21, 2011 | (905839) |
| Item 73 | March 23, 2011 | (906943) |
| Item 74 | April 21, 2011 | (929608) |
| Item 75 | April 22, 2011 | (797279) |
| Item 76 | May 12, 2011 | (906438) |
| Item 77 | May 24, 2011 | (939569) |
| Item 78 | June 16, 2011 | (933075) |
| Item 79 | July 19, 2011 | (954245) |
| Item 80 | July 20, 2011 | (924035) |
| Item 81 | July 22, 2011 | (936459) |
| Item 82 | August 09, 2011 | (943685) |
| Item 83 | August 17, 2011 | (948639) |
| Item 84 | August 22, 2011 | (948607) |
| Item 85 | August 28, 2011 | (936515) |
| Item 86 | September 21, 2011 | (966918) |
| Item 87 | September 22, 2011 | (956695) |
| Item 88 | October 12, 2011 | (949086) |
| Item 89 | October 19, 2011 | (972888) |
| Item 90 | November 14, 2011 | (979022) |
| Item 91 | November 29, 2011 | (964220) |
| Item 92 | December 16, 2011 | (985857) |
| Item 93 | December 21, 2011 | (968532) |

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| Item 94 | January 11, 2012 | (980531) |
| Item 95 | January 17, 2012 | (992213) |
| Item 96 | January 20, 2012 | (968678) |
| Item 97 | January 24, 2012 | (980571) |
| Item 98 | February 15, 2012 | (999524) |
| Item 99 | March 21, 2012 | (1005065) |
| Item 100 | March 26, 2012 | (990071) |
| Item 101 | March 27, 2012 | (994174) |
| Item 102 | April 20, 2012 | (1011621) |
| Item 103 | April 30, 2012 | (996207) |
| Item 104 | May 23, 2012 | (1018002) |
| Item 105 | June 05, 2012 | (1009225) |
| Item 106 | June 09, 2012 | (1002197) |
| Item 107 | June 14, 2012 | (1025744) |
| Item 108 | June 25, 2012 | (1009271) |
| Item 109 | July 24, 2012 | (1033092) |
| Item 110 | August 02, 2012 | (1021644) |
| Item 111 | August 07, 2012 | (1016272) |
| Item 112 | August 15, 2012 | (1039607) |
| Item 113 | September 06, 2012 | (1048533) |
| Item 114 | September 12, 2012 | (1027401) |
| Item 115 | September 13, 2012 | (1028287) |
| Item 116 | September 17, 2012 | (1028376) |
| Item 117 | October 05, 2012 | (1035442) |
| Item 118 | October 18, 2012 | (1037417) |
| Item 119 | October 23, 2012 | (1068804) |
| Item 120 | October 31, 2012 | (1037558) |
| Item 121 | November 16, 2012 | (1068805) |
| Item 122 | November 20, 2012 | (1042293) |
| Item 123 | November 30, 2012 | (1046513) |
| Item 124 | December 12, 2012 | (1046262) |
| Item 125 | December 17, 2012 | (1068806) |
| Item 126 | January 14, 2013 | (1082412) |
| Item 127 | January 15, 2013 | (1053603) |
| Item 128 | February 20, 2013 | (1058820) |
| Item 129 | February 21, 2013 | (1058848) |
| Item 130 | February 22, 2013 | (1082411) |
| Item 131 | February 27, 2013 | (1059512) |
| Item 132 | March 14, 2013 | (1058933) |
| Item 133 | March 25, 2013 | (1090952) |
| Item 134 | April 05, 2013 | (1077120) |
| Item 135 | April 08, 2013 | (1076625) |
| Item 136 | April 23, 2013 | (1097285) |
| Item 137 | April 29, 2013 | (1085330) |
| Item 138 | May 01, 2013 | (1077440) |
| Item 139 | May 02, 2013 | (1086669) |
| Item 140 | May 16, 2013 | (1087178) |
| Item 141 | May 21, 2013 | (1108308) |
| Item 142 | May 31, 2013 | (1092693) |
| Item 143 | June 04, 2013 | (1094117) |
| Item 144 | June 10, 2013 | (1111897) |
| Item 145 | June 27, 2013 | (1094899) |
| Item 146 | July 01, 2013 | (1099543) |
| Item 147 | July 16, 2013 | (1118799) |
| Item 148 | August 05, 2013 | (1104049) |
| Item 149 | August 08, 2013 | (1102484) |
| Item 150 | August 21, 2013 | (1126579) |
| Item 151 | September 16, 2013 | (1116887) |
| Item 152 | September 24, 2013 | (1131128) |
| Item 153 | September 26, 2013 | (1121183) |

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| Item 154 | November 18, 2013 | (1132904) |
| Item 155 | November 20, 2013 | (1133009) |

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

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|---|--------------|---|-----------|-----------------------|
| 1 | Date: | 01/03/2013 | (1043103) | CN603743030 |
| | Self Report? | NO | | Classification: Minor |
| | Citation: | 16989/PSD-TX-794, General Condition 10 PERMIT 16989/PSD-TX-794, Special Condition 22 PERMIT 30 TAC Chapter 101, SubChapter A 101.20(3) 30 TAC Chapter 116, SubChapter G 116.715(a) 30 TAC Chapter 117, SubChapter B 117.145(c)(1) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) FOP-O-01317, Special Condition 7 OP | | |
| | Description: | Failure to submit a Relative Accuracy Test Audit (RATA) within 60 days of testing completion. | | |

2 Date: 08/20/2013 (1105573) CN603743030

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 115, SubChapter D 115.352(4)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-6(a)(1)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.167(a)(1)
 5C THSC Chapter 382 382.085(b)
 PSD-TX-794, Special Condition 14(E) PERMIT
 PSD-TX-794, Special Condition 15(E) PERMIT
 PSD-TX-794, Special Condition 6 PERMIT
 Special Terms and Conditions 1A OP
 Special terms and Conditions 22 OP

Description: Failure to install a cap, blind flange, plug, or a second valve on equipment operating in Volatile Organic Compound (VOC) service.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 PSD-TX-794, Special Condition 28 PERMIT
 Special Terms and Conditions 22 OP

Description: Failure to speciate Volatile Organic Compounds (VOCs) emissions from El Paso samples exceeding 0.030 Parts Per Million by Weight (PPMW) VOCs.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 115, SubChapter D 115.354(11)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 5C THSC Chapter 382 382.085(b)
 PSD-TX-794, General Condition 11 PERMIT
 Special Terms and Conditions 1(A) OP

Description: Failure to monitor new connectors within 30 days of being placed into Volatile Organic Compound (VOC) service.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 115, SubChapter D 115.354(11)
 30 TAC Chapter 115, SubChapter D 115.354(2)
 30 TAC Chapter 115, SubChapter D 115.356(2)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-1(a)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.163(b)(1)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.168(b)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT H 63.174(a)
 40 CFR Part 60, Subpart VV 60.486
 5C THSC Chapter 382 382.085(b)
 PSD-TX-794, Special Condition 14(A) PERMIT
 PSD-TX-794, Special Condition 15(A) PERMIT
 PSD-TX-794, Special Condition 6 PERMIT

Special Terms and Conditions 1(A) OP
Special Terms and Conditions 22 OP

Description: Failure to identify, tag, or monitor Leak Detection and Repair (LDAR) components.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.355(h)(1)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.355(h)(2)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.355(h)(3)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.355(h)(4)
5C THSC Chapter 382 382.085(b)
PSD-TX-794, Special Condition 7 PERMIT
Special Terms and Conditions 1(A) OP
Special Terms and Conditions 22 OP

Description: Failure to conduct appropriate calibrations on the Monitoring Instrument before monitoring Carbon Canisters for no detectable emissions.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.345(a)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.345(a)(3)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.345(a)(3)(i)
5C THSC Chapter 382 382.085(b)
PSD-TX-794, Special Condition 7 PERMIT
Special Terms and Conditions 10 OP
Special Terms and Conditions 22 OP

Description: Failure to control the emissions from one container of waste during the treatment process.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 115, SubChapter C 115.214(a)
30 TAC Chapter 115, SubChapter C 115.214(a)(1)(A)
30 TAC Chapter 115, SubChapter C 115.214(a)(1)(B)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
PSD-TX-794, Special Condition 8(i) PERMIT
Special Terms and Conditions 1(A) OP
Special Terms and Conditions 22 OP

Description: Failure to immediately discontinue Volatile Organic Compounds (VOCs) transfers when a leak was observed.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.18(c)(3)(ii)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.11(b)(6)(ii)
5C THSC Chapter 382 382.085(b)
PSD-TX-794, Special Condition 10 PERMIT
Special Terms and Conditions 1(A) OP
Special Terms and Conditions 22 OP

Description: Failure to maintain the minimum net heating value of gas being combusted for a Flare at or above 300 British Thermal Units per Standard Cubic Feet (BTU/SCF).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 115, SubChapter E 115.412
30 TAC Chapter 115, SubChapter E 115.412(1)(A)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
PSD-TX-794, General Condition 11 PERMIT

Description: Failure to keep Volatile Organic Compounds (VOC) solvent Degreaser covers closed whenever parts are not being handled in the cleaners.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 116, SubChapter G 116.715(c)(8)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP

PSD-TX-794, General Condition 11 PERMIT

Description: Failure to comply with representations submitted for New Source Review Permit 16989 for Tank 4865, Tank 4866, and Tank 4880.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
30 TAC Chapter 122, SubChapter B 122.146(5)(D)
5C THSC Chapter 382 382.085(b)
General Terms and Conditions OP
PSD-TX-794, General Condition 11 PERMIT

Description: Failure to submit accurate Title V Semiannual Deviation Reports (SDRs) and accurate Permit Compliance Certifications (PCCs).

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 111, SubChapter A 111.111(a)
30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
PSD-TX-794, General Condition 11 PERMIT
Special Terms and Conditions 1(A) OP

Description: Failure to maintain copies of the June 2012 Flare logs for the Light Olefins Unit (LOU) Flare and the Aromatic Unit (AU) Flare.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
PSD-TX-794, General Condition 11 PERMIT
Special Terms and Conditions 3A OP

Description: Failure to conduct a quarterly visible emissions observation on Light Olefins Unit (LOU) Heater 1 during the fourth quarter of 2012.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 115, SubChapter D 115.354(4)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
PSD-TX-794, General Condition 11 PERMIT
Special Terms and Conditions 1(A) OP

Description: Failure to monitor a Pressure Relief Valve (PRV) within 24 hours of pressure releases.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Condition 2(B) PERMIT
Special Terms and Conditions 22 OP

Description: Failure to update the records of the rolling 12 month Cyclohexane barge loading emissions on a monthly basis.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 115, SubChapter B 115.136(a)(2)(C)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
PSD-TX-794, General Condition 11 PERMIT
Special Terms and Conditions 1(A) OP

Description: Failure to continuously measure and record the Volatile Organic Compound (VOC) concentration in the exhaust gas of the American Petroleum Institute (API) Separator Carbon Absorption System (CAS) while the CAS was operating.

3 Date: 09/24/2013 (1106455) CN603743030

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
30 TAC Chapter 116, SubChapter G 116.715(a)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.347(a)(1)
5C THSC Chapter 382 382.085(b)
PSD-TX-794, Special Condition 25 PERMIT
Special Terms and Conditions 1(A) OP

Description: Special Terms and Conditions 22 OP
 Failure to route all the emissions from the American Petroleum Institute (API) Separator Closed Vent System (CVS) to a Control Device.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.354(d)
 40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.356(f)
 40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.356(f)(1)
 5C THSC Chapter 382 382.085(b)
 PSD-TX-794, Special Condition 7 PERMIT
 Special Terms and Conditions 1(A) OP
 Special Terms and Conditions 22 OP

Description: Failure to switch the Large Carbon Canisters at Facility 37 immediately after discovering Volatile Organic Compounds (VOC) breakthrough.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.345(a)
 40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.345(a)(1)
 40 CFR Chapter 61, SubChapter C, PT 61, SubPT FF 61.345(a)(1)(i)
 5C THSC Chapter 382 382.085(b)
 PSD-TX-794, Special Condition 7 PERMIT
 Special Terms and Conditions 1(A) OP
 Special Terms and Conditions 22 OP

Description: Failure to monitor the spent Carbon Containers initially and annually.

Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 101, SubChapter A 101.20(3)
 30 TAC Chapter 116, SubChapter G 116.715(a)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 40 CFR Chapter 60, SubChapter C, PT 60, SubPT Kb 60.113b(b)(4)(iii)
 40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.120(b)(8)
 5C THSC Chapter 382 382.085(b)
 PSD-TX-794, Special Condition 6 PERMIT
 PSD-TX-794, Special Condition 8(D) PERMIT
 Special Terms and Conditions 1A OP
 Special Terms and Conditions 22 OP

Description: Failure to repair or empty Tank 1815 within 45 days of discovering defects.

4 Date: 11/01/2013 (1122847) CN603743030
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 116, SubChapter G 116.715(a)
 30 TAC Chapter 117, SubChapter B 117.105(f)(1)
 30 TAC Chapter 122, SubChapter B 122.143(4)
 Special Condition 1 PERMIT
 Special Condition 1E OP
 Special Condition 21 PERMIT
 Special Condition 24 OP
 Description: Failure to comply with the requirements of 30 TAC 117.105(f)(1)

F. Environmental audits:

Notice of Intent Date: 07/17/2008 (688108)

Disclosure Date: 12/03/2008

Viol. Classification: Minor

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Rqmt Prov: PERMIT 79802, SC 2.B

Description: Failed to accurately record start and end time data of loading emissions.

Viol. Classification: Moderate

Rqmt Prov: PERMIT 79802, SC 2.F

Description: Failure to maintain proper vacuum assist vapor collection system pressure while loading cyclohexane.

Viol. Classification: Moderate

Rqmt Prov: PERMIT 79802, SC 3.B and D.

Description: Failed to have records to indicate that the required calibrations for both the flare monitoring devices and the continuous natural gas flow monitoring device are being conducted as required by the permit.

Viol. Classification: Moderate

Rqmt Prov: PERMIT 79802, SC 3.D

Description: Failure to comply with supplemental fuel flow requirements while loading cyclohexane.

Viol. Classification: Minor

Rqmt Prov: PERMIT 79802, SC2.F

Description: Failure to maintain the pressure differential and to record vacuum readings every 15 minutes during loading operations.

Viol. Classification: Moderate

Rqmt Prov: PERMIT 79802, SC4.E

Description: Failure to conduct visual, Audible, olfactory inspections while loading cyclohexane.

Notice of Intent Date: 10/05/2010 (870545)

Disclosure Date: 04/08/2011

Viol. Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter G 117.8100(a)(1)

Description: Emission calculations conducted in the data historian do not follow the reference method calculation protocols in 40 CFR 60, Appendix A, Test Method 19 for using monitored diluent concentrations to estimate mass emission rates.

Viol. Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter B 117.123(c)(1)(C)

Description: The emissions total used to demonstrate compliance with the Ch. 117 source cap is not consistent with the regulation. The regulation requires that a fixed measured hourly emission rate be used for units without a CEMS, but the site uses a variable emission rate based on the fuel firing rate to make the demonstration.

Viol. Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter B 117.140(a)

Description: The pilot gas flow tags used in calculating the contribution of pilot gas to the fuel gas firing rate appear not to be functional, and are producing bad data (negative and highly variable flows which appear inaccurate) which are slightly impacting emission calculations.

Viol. Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter B 117.145(d)(3)

Description: CEMS downtime is excluded based on no cracking feed flow instead of no fuel feed flow.

Viol. Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter G 117.8100(a)(1)

Description: Verification that the current analyzers are the same ones that underwent initial certification is not possible because the serial numbers listed in the initial certifications were for each collective CEMS installation and not the analyzers themselves. Records indicating actual analyzer serial numbers were not available to auditors.

Viol. Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter G 117.8100(a)(1)

Description: The CEMS Negative Drift Level is not sufficiently high. The negative drift should be set at greater than 4 times the CD, which for NOx should be > -15 ppm and for CO should be > -80 ppm, based on existing ranges.

Viol. Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter G 117.8100(a)(1)

Description: A test for stratification is required in the initial Certification test to validate the use of three point sampling. After reviewing the initial certification reports, the audit team did not find proof of a test for stratifications for all furnaces.

Viol. Classification: Minor

Citation: 30 TAC Chapter 117, SubChapter G 117.8100(a)(1)

Description: Downtime in the current reporting tools begins in the first hour of any failed QA/QC check. The downtime should begin at the time corresponding to the completion of the daily Calibration Drift check preceding the daily CD check that results in a CD in excess of four times the allowable limit.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 117, SubChapter B 117.154(a)(5)

30 TAC Chapter 117, SubChapter B 117.154(b)(2)(D)

Description: The EPN names are not consistent with the site's permit or emissions inventory, the data substitution method indicated in the final control plan is not allowed by the rule, and not what is used, and not all exempt sources (emergency engines) have been included in the final control plan with documentation of the exemption being claimed.

Notice of Intent Date: 10/14/2010 (877037)

Disclosure Date: 04/19/2011

Viol. Classification: Major

Citation: 2B TWC Chapter 11, SubChapter A 11.121

30 TAC Chapter 297, SubChapter B 297.11

Description: Failure to produce documentation of the contract or agreement that authorizes PAC to withdraw water from the Drainage District #7 (DD#7) canal for use as 'service water' (water withdrawal would typically require a TCEQ permit & fee payment)

Viol. Classification: Minor

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failed to finalize the facility's stormwater pollution prevention plan and failed to implement it at the time of the audit. Specifically, the monthly inspection reports, the annual training and records, and the

mangement certification of commitment were missing.

Viol. Classification: Minor

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failed to be able to locate the discharge monitoring report from Nov. 2007.

Viol. Classification: Minor

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failed to replace the roof after removing to access the pump. Significant material residues were exposed (diesel fuel and oil) from the backup diesel generator pump which could have gone into stormwaterwater Outfall 002.

Viol. Classification: Minor

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Failed to use good housekeeping at Outfall 002 stormsater discharge swale as the oil absorbent boom needs replacement, and maintenance of the underflow weir were identified as needed at the time of the audit.

Viol. Classification: Minor

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Description: Best Management Practices were not utilized as follow up with maintenance to check PMs and operational status on Outfall #001's emergency diesel pumps is needed; the shed at Outfall 002 over the pump station was open to rain and oils were noted on the concrete floor of the structure; and the diesel generators for the fire pump by Reseroic 14 were observed to have exposed oils and a sulfuric acid battery.

Notice of Intent Date: 03/22/2011 (914660)

No DOV Associated

Notice of Intent Date: 03/19/2012 (1101213)

No DOV Associated

Notice of Intent Date: 03/27/2013 (1087037)

No DOV Associated

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
FLINT HILLS RESOURCES PORT
ARTHUR, LLC
RN100217389**

§
§
§
§
§
§

**BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2013-2130-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Flint Hills Resources Port Arthur, LLC ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a petrochemical manufacturing plant at 4241 Savannah Avenue in Port Arthur, Jefferson County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about November 20, 2013.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Thirteen Thousand One Hundred Twenty-Six Dollars (\$13,126) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Five Thousand Two

Hundred Fifty-One Dollars (\$5,251) of the administrative penalty and Two Thousand Six Hundred Twenty-Five Dollars (\$2,625) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Five Thousand Two Hundred Fifty Dollars (\$5,250) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that, by September 19, 2013, the Respondent inspected the motor operated valves for jumper wires on Furnaces A-G to minimize the potential for the recurrence of emissions events due to same or similar causes as Incident Nos. 186931 and 187085.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to prevent unauthorized emissions during an event that occurred on August 17, 2013 and lasted 8 hours (Incident No. 186931), in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. 01317, Special Terms and Conditions ("STC") No. 24, and Flexible Permit Nos. 16989 and PSD-TX-794, Special Conditions ("SC") No. 1, as documented during an investigation conducted on September 24, 2013. Specifically, jumper wiring for testing the new motor operated valve ("MOV") 102G had inadvertently been left on after installation. The jumper wiring interfered with the normal operations of MOV101G which got stuck while trying to close it when switching the G furnace to the decoke drum [Emission Point No. ("EPN") LOUVENTDD1] from the process. This resulted in the unauthorized release of 368.33

pounds ("lbs") of volatile organic compounds ("VOC") of process material leaking through MOV101G to the decoke drum and then to the atmosphere. Since the emissions event could have been avoided by better operational and maintenance practices, it is not subject to the affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

2. Failed to prevent unauthorized emissions during an event that occurred on August 20, 2013 and lasted 18 minutes (Incident No. 187085), in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.715(a) and (c)(7), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 01317, STC No. 24, and Flexible Permit Nos. 16989 and PSD-TX-794, SC No. 1, as documented during an investigation conducted on September 24, 2013. Specifically, jumper wiring for testing the new MOV102G had inadvertently been left on after installation. The jumper wiring interfered with the normal operations of MOV101G and caused damage that included a failed motor, a damaged mechanical drive mechanism, and a broken shear pin; the damage made MOV101G appear to be closed when it was actually open. MOV101G got stuck while trying to open it when switching the G furnace from the decoke drum (EPN LOUVENTDD1) to the process. This resulted in the unauthorized release of 9,410.54 lbs of VOC. Since the emissions event could have been avoided by better operational and maintenance practices, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Flint Hills Resources Port Arthur, LLC, Docket No. 2013-2130-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Five Thousand Two Hundred Fifty Dollars (\$5,250) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

9/25/14

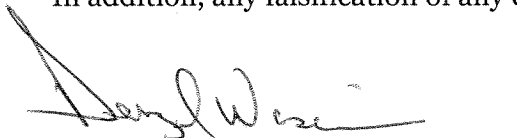
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

3/5/2014

Date

Denzel Wiseman

Name (Printed or typed)
Authorized Representative of
Flint Hills Resources Port Arthur, LLC

Vice-President

Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2013-2130-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

| | |
|-----------------------------------|--|
| Respondent: | Flint Hills Resources Port Arthur, LLC |
| Penalty Amount: | Ten Thousand Five Hundred One Dollars (\$10,501) |
| SEP Offset Amount: | Five Thousand Two Hundred Fifty Dollars (\$5,250) |
| Type of SEP: | Contribution to a Third-Party Administrator SEP |
| Third-Party Administrator: | Southeast Texas Regional Planning Commission |
| Project Name: | <i>West Port Arthur Home Energy Efficiency Program - Lighthouse Program</i> |
| Location of SEP: | Jefferson County |

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Southeast Texas Regional Planning Commission** for the *West Port Arthur Home Energy Efficiency Program - Lighthouse Program* Project. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to hire a contractor to conduct initial inspections of eligible applicants' homes. The inspections will determine whether the home is in a condition suitable for weatherization and energy efficiency upgrades. Upgrades will not be completed at homes that need new roofs or significant foundation work. The contractor shall also determine what weatherization and energy efficiency upgrades are necessary and appropriate for the home and write a work plan. This contractor shall also conduct the final inspection of the home after the work is completed.

The Third-Party Administrator will conduct eligibility determinations to verify that participants own their homes and qualify as low-income. The Third-Party Administrator

Flint Hills Resources Port Arthur, LLC
Agreed Order - Attachment A

will also prepare all contracts with contractors and homeowners; coordinate between the contractors and the homeowners to answer questions; ensure that work is done timely and properly; and arrange for any necessary repairs to new equipment under the 12-month warranty period after work is completed. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

Implementation of this Project will benefit air by reducing residential fuel and electricity usage for heating and cooling. These reductions, in turn, will reduce emissions of particulate matter, volatile organic compounds, and the nitrogen oxides associated with the combustion of fuel and the generation of electricity. Past energy audits have shown a 12-30% reduction in energy usages after completion of the weatherization and energy upgrades.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Southeast Texas Regional Planning Commission SEP** and shall mail the contribution with a copy of the Agreed Order to:

Southeast Texas Regional Planning Commission
Attention: Pamela Lewis, Program Manager
2210 Eastex Freeway
Beaumont, Texas 77703

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

Flint Hills Resources Port Arthur, LLC
Agreed Order - Attachment A

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.